AMERICAN EMBASSY

Rome, Italy, February 7, 1948

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No. 226

UNCLASSIFIED

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SUBJECT: Transmitting Cultural Exchange of Notes Between the United States and Italy, dated February 2, 1948.

DEPARTMENT OF STATE
MAR 8 - 1948

711.652/2-748

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D.C.

SIR:

I have the honor to refer to my despatch no. 136 of February 3, 1948, transmitting an original of the United States-Italian Treaty of Friendship, Commerce and Navigation, signed on February 2, and in this connection to transmit herewith notes with regard to cultural relations exchanged at the time the Treaty was signed.

In accordance with the Department's Instruction of June 25, 1947, concerning Treaties and Agreements, this despatch transmits the original of the note signed by Count SFORZA, Minister of Foreign Affairs, for the Italian Government and a certified copy of the Embassy's file copy of the note which I signed on behalf of the United States, both notes bearing the date of February 2, 1948. A certified copy of each of those notes is also being retained in the permanent files of this Embassy.

Respectfully yours,

UNCLASSIFIED

James Clement Dunn

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY AJ Crim DATE 9/20/77
RDS ☒ OR XDS ☐ EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED ☐ RELEASABLE ☒
RELEASE DENIED
PA OR FOI EXEMPTIONS

Enclosures:
1. Note signed by Count Sforza dated February 2, 1948.
2. Note signed by Ambassador Dunn dated February 2, 1948.

Original and duplicate to the Department

Endrick:rm

Ivan Matteo LOMBARDO, Dr. Pasquale JANNELLI, Minister Plenipotentiary (Foreign Office); Prof. Tommaso PERASSI, Chief of the Diplomatic Legal Section (Contenzioso Diplomatico) of the Foreign Ministry; Dr. Giuseppe DALL'OLLIO, Director General, Ministry of Foreign Trade; Dr. Carmelo LA ROSA, Chief of Division, Ministry of Foreign Trade; Dr. Antonio SORRENTINO, Chief of the Legislative Office, Presidency of the Council of Ministers; Dr. Attilio CATTANI, Vice Director General for Economic Affairs, Counselor of Legation, Ministry of Foreign Affairs; Dr. Andrea FERRERO, First Secretary, Ministry of Foreign Affairs; Dr. Giuseppe SIMONIS, Ministry of Foreign Affairs; and Dr. Gino IPPOLITO, First Secretary, Ministry of Foreign Trade.

Respectfully yours,

James Clement Dunn

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Original and hectograph
to the Department

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this policy is, of course, the fact that trade preferences tend to channelize trade along uneconomic lines and thus create a barrier to the development of multilateral trade on a non-discriminatory basis. The United States has not, however, opposed the formation of customs unions, free trade areas or other measures of regional economic cooperation which tend to reduce trade barriers between the participating units without unnecessarily raising barriers to intercourse between those units and the rest of the world.

In negotiations with respect to trade between two countries, it is normal to provide for mutual most-favored-nation treatment. This means that each country accords the other equality of treatment in its market in return for equality of treatment for itself in the other country's market. If one of the parties insists upon reserving the right to accord more favorable treatment in the future to some third country or third countries, it is, of course, refusing to bargain on a basis of equality of treatment. In the case of a long-term agreement, such as that at present under consideration, the country that binds itself to unlimited most-favored-nation treatment while accepting an unqualified reservation for future unspecified preferences on the part of the other, may find itself in a very disadvantageous position. Furthermore, each time the United States enters into an agreement containing such an unqualified reservation for future preferences, under which the other party to the agreement may unilaterally determine the extent to which it may depart from the rule of most-favored-nation treatment, it establishes a precedent for further proliferation of the system of preferences, thus prejudicing the general policy for the reduction or elimination of such

trade